



STATE OF CONNECTICUT

OFFICE OF STATE ETHICS

TESTIMONY PRESENTED BEFORE THE GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE

February 17, 2012

*Statement of Carol Carson, Executive Director
Office of State Ethics*

*Senate Bill 35 – AAC the Office of State Ethics and Revisions to the State Codes of Ethics
Senate Bill 36 – AAC Revisions to the State Codes of Ethics*

Good morning, Senator Slossberg, Representative Morin, Ranking Members Senator McLachlan and Representative Hwang, and distinguished Committee members. For the record, I am Carol Carson, Executive Director of the Office of State Ethics. Thank you for this opportunity to provide testimony concerning **Senate Bill 35** and **Senate Bill 36**, which are Office of State Ethics proposals that are on the Committee's agenda today. I have included section by section summaries of each bill with my testimony and would like to briefly address them this morning.

Senate Bill 36 - AAC Revisions to the State Codes of Ethics

Senate Bill 36 is our Priority 1 legislation for the 2012 legislative session and I want to thank the Committee for raising this bill. The primary purpose of this legislation is to make critical and necessary revisions to the Codes of Ethics.

In sum, the bill expands the "gifts to the state" exception to the prohibition on gifts by including participation of public officials and state employees at an event that facilitates state or quasi-public agency action or functions. The proposed language was previously used in the "gifts to the state" exception, but was removed during the 2007 legislative session out of concern that donors may target specific officials and employees. A number of state agencies have indicated that such outright prohibition on gifts to the state to support participation of public officials and state employees at events eliminates cost-effective opportunities for state agencies to train and improve the skills of their workforces. In order to assuage the concerns that had led to the 2007 language changes, the amended language requires disclosure and certification by the heads of state agencies for participation. In those instances where a public official or state employee does not have an agency head, we would recommend adding a sentence to permit such officials or employees to certify directly to the Office of State Ethics. Please find attached our proposed recommendations for your consideration.

The bill also amends the terms for Citizen's Ethics Advisory Board ("CEAB") members to expand the pool of qualified candidates and to stagger terms to ensure a quorum of the CEAB; increases the threshold for lobbyist registrations from \$2,000 to \$3,000, which was last increased in 1997; eliminates duplicative filing requirements and makes technical changes for consistency and clarification.

Senate Bill 35 – AAC the Office of State Ethics and Revisions to the State Codes of Ethics

Senate Bill 35 is a resubmittal and was voted favorably out of the Government Administration and Elections Committee during the 2011 Legislative Session.

This bill would include the term "employer other than the state" in the provision of § 1-85 of the general statutes regarding *substantive* conflicts of interest to official actions. Under the current law, public officials or state employees are prohibited from voting or taking official action on matters in which they themselves, their immediate family or a business with which they are associated will derive a direct monetary gain or suffer a direct monetary loss, but can vote or take official action on matters related to their other (non-state) employer.

This legislation would extend the prohibition regarding substantive conflicts of interest whereby public officials or state employees, other than elected state officials, would be restricted from taking official action for the benefit of other employers. Elected officials who have such a conflict concerning their other employer may either recuse themselves or prepare a written statement under penalty of false statement for the agency journal or minutes and the OSE, describing the matter requiring action, the nature of the potential conflict, and why they are able to vote despite it. In addition, this proposal would extend the prohibition regarding potential conflicts of interest under § 1-86 of the general statutes whereby public officials or state employees, other than elected state officials, would be restricted from taking official action for the benefit of other employers, and when necessary, disclose the existence of a conflict involving an outside employer.

The bill seeks to amend §§1-94 and 1-96 of the general statutes to redefine lobbyist registration and reporting requirements by those who lobby "within the scope of employment." This bill also clarifies that the board members of the State Health Insurance Exchange are subject to the Code of Ethics for Public Officials, and makes technical changes for consistency and clarification to the Codes of Ethics.

Thank you for your consideration of the Commission's views on these bills.

Office of State Ethics
February 17, 2012

Proposed Amendments
Senate Bill 36 LCO 558

Change effective dates for Section 1 and Section 2 from "Effective October 1, 2012" to "Effective July 1, 2012."

In line 224, after the word "functions." insert the following: "In the absence of an agency head, such official or employee shall make such certification to the Office of State Ethics."

In line 499, strike "1-84m" and insert the following: "1-84"

The "gift to the state" exception is identical under sections 1-79 and 1-91 of the general statutes, the proposed changes to section 1-79 should be mirrored in section 1-91.

Therefore, in line 583, after the word "event" insert the following: "or the participation by a public official or state employee at an event"

Thank you for your consideration of these amendments.